

Meeting Date: 1/13/09

AGENDA REPORT

Agenda Item # 7A-22

Santa Clara



City of Santa Clara, California



DATE: December 19, 2008

TO: City Manager for Council Action
Executive Director for Redevelopment Agency Action

FROM: Housing & Community Services Division Manager

SUBJECT: Agreement between the Redevelopment Agency and the Housing Trust of Santa Clara County for Commitment of Funding from the Affordable Housing Fund and Resolutions of the City and the Redevelopment Agency Determining Benefit from the Use of the Affordable Housing Fund

EXECUTIVE SUMMARY:

The Housing Trust of Santa Clara County is the product of a public/private initiative dedicated to build a revolving loan fund and grant program to address the issue of affordable housing in the County of Santa Clara. On April 4, 2008, the Housing Trust petitioned Council with a request for continued funding support of its affordable housing programs. A Funding Agreement, including Resolutions of Benefit to the Redevelopment Project Area, have been prepared in response to the Council and Agency's directives to support the Housing Trust's funding request.

According to the Funding Agreement, the funds may only be directed to affordable housing activities in the City of Santa Clara. The funds can be used to support first-time homebuyer loans, multifamily rental housing production, and homeless and special needs housing projects. The Funding Agreement will be available in the Council Office for review.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The Housing Trust is recognized as a leading promoter and fundraiser for affordable housing within the County. Funds provided to the Housing Trust will be used to assist people and families of very low, low, and moderate income in the City. No disadvantages have been identified.

ECONOMIC/FISCAL IMPACT:

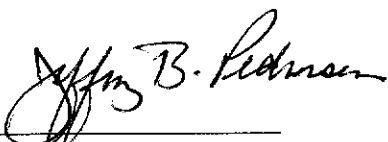
The Funding Agreement commits \$250,000.00, appropriated in the Fiscal Year 2008-09 Capital Improvement Budget (acct # 915-5545-80300-9303).

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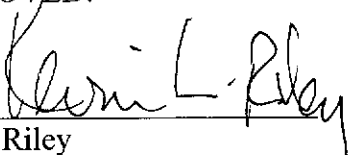
RECOMMENDATION:

1. That the Council and Agency adopt their respective Resolutions determining benefit from the use of the Affordable Housing Fund; and,
2. That the Agency approve and authorize the Executive Director to execute the Agreement with the Housing Trust of Santa Clara County regarding \$250,000.00 commitment of the Redevelopment Agency Affordable Housing Funds.



Jeffrey B. Pedersen
Housing & Community Services
Division Manager

APPROVED:



Kevin Riley
Director of Planning & Inspection

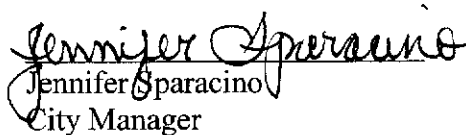
Certified as to Availability of Funds:
915-5545-80300-9303 \$250,000.00

OK
me



Mary Ann Parrot
Director of Finance
Redevelopment Agency Treasurer

APPROVED:



Jennifer Sparacino
City Manager
Executive Director for Redevelopment Agency

Documents Related to this Report:

- 1) *City and Agency Resolutions*
- 2) *Agreement between the Redevelopment Agency and the Housing Trust of SCCo - in Council Offices*

Document3

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA CLARA, CALIFORNIA, MAKING FINDINGS OF
BENEFIT WITH RESPECT TO AN AGREEMENT
BETWEEN THE REDEVELOPMENT AGENCY OF THE
CITY OF SANTA CLARA AND HOUSING TRUST OF SANTA
CLARA COUNTY**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA,
CALIFORNIA, AS FOLLOWS:**

WHEREAS, the City Council of the City of Santa Clara has heretofore adopted the
Redevelopment Plan (the "Redevelopment Plan") for the Bayshore North Redevelopment Project
("Redevelopment Project") on December 28, 1973 by Ordinance No. 1283; and,

WHEREAS, pursuant to the California Community Redevelopment Law (California Health and
Safety Code Section 33000 *et seq.*) not less than 20% of all taxes which are allocated to the
Redevelopment Agency of the City of Santa Clara ("Agency") must be used by the Agency for the
purpose of increasing, improving and preserving the community's supply of low and moderate
housing available at affordable housing costs to persons and families of low and moderate income,
including very low income persons; and,

WHEREAS, pursuant to Section 33334.2(e) of the Community Redevelopment Law, the Agency
may exercise any and all of its powers to carry out this purpose; and,

WHEREAS, pursuant to Section 33334.6(a) of the Community Redevelopment Law, the
California State Legislature has found and declared that the provision of affordable housing outside
of redevelopment project areas can be of direct benefit to those projects in assisting the
accomplishment of project objectives; and,

WHEREAS, in Fiscal Year 2008-2009, the Agency has allocated ten percent (10%) of non-housing tax increment from the Redevelopment Project to supplement the Agency's affordable housing efforts (the "Agency Funds"); and,

WHEREAS, pursuant to Section 33334.2(g) of the Community Redevelopment Law, the Agency may use the Agency Funds to assist in the provision of housing for low or moderate income households outside the Redevelopment Project upon resolution of the City Council and the Agency that such use will be of benefit to the Redevelopment Project; and,

WHEREAS, the Housing Trust of Santa Clara County ("HTSCC") Endowment Fund, an investment pool fund in which private corporations and public agencies participate, has been created and is administered by HTSCC to make loans and grants for affordable housing projects in the City of Santa Clara, including those outside of the Redevelopment Project; and,

WHEREAS, HTSCC has requested that the Agency participate in the HTSCC Endowment Fund, in accordance with that certain Agreement, in the form presented to this City Council, pursuant to which the Agency Funds will be used to increase, improve or preserve housing in the City of Santa Clara that will be affordable to persons and families of low and moderate income, including very low income households; and,

WHEREAS, the City has duly considered all terms and conditions of the proposed Agreement and believes that the proposed use of Agency Funds pursuant to the Agreement will be in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA, CALIFORNIA, AS FOLLOWS:

1. The City Council hereby finds that the foregoing recitals are true and correct.
2. The City Council hereby finds and determines that the use of Agency Funds pursuant to the Agreement will provide housing opportunities for low- or moderate-income persons, including very low income households.
3. The City Council finds and determines, based on the information set forth in Attachment No. 1 to this Resolution, which is incorporated herein by this reference, that the use of the Agency Funds as authorized by this Resolution will be of benefit to the Redevelopment Project.
4. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City Council hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.
5. This Resolution shall take effect upon adoption.
6. The City Clerk shall certify to the passage and adoption of this Resolution, shall enter the same in the Book of Resolutions of the City, and shall cause the action of the Mayor and City Council in adopting the same to be entered in the official minutes of said City Council.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF

_____, 2009, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST:

ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

ATTACHMENT NO. 1

Benefit to the Redevelopment Project Area

The use of funds from the Bayshore North Redevelopment Project (the "Redevelopment Project") as set forth in the Agreement will be of benefit to the Redevelopment Project, as follows:

The Redevelopment Plan for the Bayshore North Redevelopment Project restricts the land uses in the Redevelopment Project area to non-residential uses. Accordingly, there are no opportunities to develop affordable housing in the Bayshore North Project. In Section 33334.6 of the California Health and Safety Code, the State Legislature has found and declared that the provision and improvement of affordable housing outside of redevelopment project areas can be of direct benefit to those projects in assisting the accomplishment of project objectives whether or not those redevelopment projects provide for housing within the project area. By providing affordable housing for very low, low, and moderate income persons in the City of Santa Clara, the Agreement will benefit the Redevelopment Project by providing affordable housing for a segment of the population of the City of Santa Clara in need of affordable housing, and by providing and enhancing the physical, economic and social conditions needed to prevent the recurrence of blight in the Redevelopment Project and elsewhere in the City of Santa Clara.

CITY OF SANTA CLARA
AGENDA MATERIAL ROUTE SHEET

Council Date: January 13, 2009

SUBJECT: Funding Agreement with the Housing Trust of Santa Clara County and Resolutions of the City and Redevelopment Agency Determining Benefit from the Use of the Affordable Housing Fund

CERTIFICATION

The proposed Agreement and Resolutions
Regarding Agency funding for affordable housing purposes has been reviewed and is hereby certified.

PUBLICATION REQUIRED: Not Applicable

The attached Notice/Resolution/Ordinance is to be published _____ time(s) at least _____ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 200__.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

Federal Codes:

Title _____ U.S.C. § _____
(Titles run 1 through 50)

California Codes:

Code _____ § _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:

Title _____ C.F.R. § _____
(Titles run 1 through 50)

California Regulations:

Title _____ California Code of Regulations § _____
(Titles run 1 through 28)

City
City Charter § _____ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)
City Code § _____

1. As to City Functions, by

Kerri L. Riley
Department Head

2. As to Legality, by

Lindsay Speck
City Attorney's Office 08.1732

3. As to Environmental
Impact Requirements, by

Kerri L. Riley
Director of Planning and Inspection

4. As to Substance, by

J. Sparacino
City Manager

Revision Date June 7, 2005